

Message Text

CONFIDENTIAL

PAGE 01 TEHRAN 00187 081339Z

47

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 DOTE-00 FEAE-00 AID-05 CIAE-00

COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00

XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01

NSC-05 SS-15 STR-04 CEA-01 /090 W

----- 017416

R 080855Z JAN 76

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 5055

INFO AMEMBASSY ANKARA

C O N F I D E N T I A L TEHRAN 0187

E.O. 11652: GDS

TAGS: ETRD, ELTN, TU, IR

SUBJECT: TURKISH FEES ON TRUCKS IN TRANSIT

REF: TEHRAN 00094

1. DCM CALLED ON TURKISH AMBASSADOR RAHMI GUMRUKCUOGLU JANUARY 7 TO OBTAIN COPY OF NEW TURKISH DECREE INCREASING TRANSIT FEES FOR TRUCKS MOVING GOODS ACROSS TURKEY TO DESTINATIONS SUCH AS IRAN OR VICE VERSA. DCM TOOK THE OCCASION TO ELICIT BACKGROUND ON THIS STEP, WHICH BEING CHARACTERIZED IN LOCAL PRESS AS A "SHOCK" AND CAUSE FOR SUSPENSION OF IRANIAN CREDIT TO TURKEY AGREED UPON LAST OCTOBER(ANKARA 7916).

2. TURKISH AMBASSADOR, WHO WAS FOREIGN OFFICE TRANSIT EXPERT BEFORE ASSIGNMENT TO TEHRAN AND WHO PARTICIPATED IN TURK/IRAN NEGOTIATIONS LEADING TO THE OCTOBER AID AGREEMENT, SAID THAT HE FRANKLY DEPLORED THE WAY HIS GOVERNMENT HAD HANDLED THE MATTER ALTHOUGH HE AGREED WITH THE SUBSTANCE OF THE DECREE. HE REVIEWED AT SOME LENGTH THE DETAILS OF THE AID NEGOTIATION, POINTING OUT THAT \$60 MILLION OUT OF THE OVERALL CREDIT OF \$1.2 BILLION WAS EARMARKED FOR CONSTRUCTION AND EQUIPMENT WHICH WOULD IMPROVE TURKEY'S
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TEHRAN 00187 081339Z

TRANSPORTATION FACILITIES FOR IRAN'S BENEFIT. THE CREDIT

DID NOT PROVIDE, HOWEVER, FOR THE MAINTENANCE OF REPAIR OF TRANSPORTATION FACILITIES CURRENTLY BEING USED FOR TRANSIT PURPOSES TO IRAN. AT THE TIME OF THE NEGOTIATION IT WAS NOTED THAT MAINTENANCE COSTS WERE A HEAVY BURDEN ON THE TURKISH BUDGET AND THAT TURKEY WOULD HAVE TO FIND SOME MEANS OF FINANCING THESE COSTS, PROBABLY THROUGH AN INCREASE IN TRANSIT FEES. HE SAID THAT IRAN SEEMED TO UNDERSTAND THIS PROBLEM, BUT IT WAS AT THE INSISTENCE OF IRANIAN MINISTER OF ECONOMIC AFFAIRS AND FINANCE ANSARY, WHO WAS THE CHIEF IRANIAN NEGOTIATOR, THAT A CLAUSE BE ADDED TO THE AID AGREEMENT SPECIFYING THAT ITS IMPLEMENTATION WAS CONTINGENT ON THE TWO COUNTRIES REACHING A TRANSIT AGREEMENT. ACCORDINGLY, WHILE HE NATURALLY HAD TO DEFEND HIS GOVERNMENT'S ACTIONS IN THIS MATTER, HE COULD UNDERSTAND IRAN'S OUTRAGE AT THE TURKISH GOVERNMENT'S DECISION TO INCREASE TRANSIT FEES UNILATERALLY AND PRIOR TO NEGOTIATIONS WITH IRAN ON THE MATTER.

3. AS TO THE SUBSTANCE OF THE GOT DECREE, GUMRUKCUOGLU DEFENDED IT IN SOME DETAIL, POINTING OUT THAT IN PART BECAUSE OF OPEC OIL PRICE INCREASES THE COSTS OF ASPHALT AND OTHER MATERIAL AND LABOR HAD INCREASED ENORMOUSLY. FURTHER, HE SAID, TURKEY SUBSIDIZES THE COST OF FUEL IN TURKEY FOR INTERNAL POLITICAL/ECONOMIC REASONS BUT SEES NO REASON TO PERMIT FOREIGN TRUCKERS TO BENEFIT FROM THIS SUBSIDY. THUS, THE GOT DECREE PROVIDES FOR A FUEL TAX WHICH WILL INCREASE THE PRICE OF FUEL TO FOREIGN TRUCKERS TO ITS IMPORT COST LEVEL. HE SAID THAT TURKEY DID NOT QUESTION OPEC OIL PRICE INCREASES AND BELIEVED, ANALOGOUSLY, THAT IRAN OUGHT TO UNDERSTAND AN INCREASE IN THE PRICE OF A SERVICE THAT TURKEY WAS PROVIDING FOR IRAN.

4. AS TO THE DANGER THAT THE AID AGREEMENT MAY NOT BE IMPLEMENTED, GUMRUKCUOGLU SAID THAT IN FACT NOT ONE DIME HAD YET BEEN DISBURSED. HE HAD NEGOTIATED WITH SOME DIFFICULTY PAYMENT OF \$41 MILLION FOR FERRIES THAT TURKEY HAD BUILT FOR THE MOVEMENT OF GOODS ACROSS THE MARMARA AND LAKE VAN WHICH HAD BEEN SIGNED BY ANSARY BUT WHICH STILL REQUIRED PARLIAMENTARY APPROVAL. HE

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TEHRAN 00187 081339Z

ACKNOWLEDGED THAT, AS A CONSEQUENCE OF THE GOT'S DECREE, THIS APPROVAL MAY NOT BE FORTHCOMING NOR MAY ANY OTHER SUM FORESEEN UNDER THE AID AGREEMENT. HE SAID THAT "THIS WOULD BE TOO BAD" BUT SEEMED TO FEEL THAT SINCE ALL OF THE PROJECTS THAT WERE TO BE CARRIED OUT WITH IRANIAN AID WOULD BE FOR IRAN'S BENEFIT, IRAN WOULD STAND TO LOSE AS MUCH OR MORE THAN TURKEY. TURKEY HAD NOW OFFERED TO NEGOTIATE A TRANSIT FEES AGREEMENT AND

AS FAR AS HE WAS CONCERNED, THE BALL WAS IN THE IRANIAN COURT. IN RESPONSE TO A QUESTION ABOUT WHETHER THIS DEVELOPMENT MIGHT INFLUENCE OTHER ASPECTS OF TURKISH/IRANIAN RELATIONS, GUMRUKCUOGLU SAID "IT CAN'T HELP."

5. IRANIAN MFA DIRECTOR GENERAL FOR ECONOMIC AFFAIRS BATMANGELIDJ CONFIRMED TO THE DCM THE GOI'S UNHAPPINESS OVER THE TURKISH GOVERNMENT'S ACTION BUT SAID THAT IRAN COULD NOT OBJECT TO A MATTER THAT WAS WITHIN THE GOI'S COMPETENCE TO DECIDE. HE WENT ON TO SAY, WITHOUT MUCH CONVICTION, THAT WE WILL JUST HAVE TO LOOK FOR ALTERNATIVE ROUTES. FINALLY, HE COMMENTED THAT THIS ACTION "COULD NOT HELP BUT HAVE AN ADVERSE EFFECT" ON IMPLEMENTATION OF THE OCTOBER AID AGREEMENT.

6. COMMENT: IN ONE SENSE GOI MAY BE RELIEVED AT AN EXCUSE TO POSTPONE FULFILLMENT OF ITS AID COMMITMENT TO TURKEY IN VIEW OF THE TIGHT CASH FLOW PROBLEMS IT NOW FACES BECAUSE OF REDUCED OIL REVENUE. THE CENTRAL BANK INFORMED AN EMBASSY OFFICER THAT REDUCED OR NO DISBURSEMENTS UNDER THE IRANIAN AID AGREEMENT TO TURKEY MAY CUT ITS BALANCE OF PAYMENTS DEFICIT THIS YEAR FROM AN ESTIMATED \$3.5 BILLION TO \$3 BILLION.
HELMS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRUCKS, HIGHWAY TRANSPORTATION, TRANSPORTATION TAXES, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976TEHRAN00187
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760006-0977
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760174/aaaacntl.tel
Line Count: 139
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 TEHRAN 94
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 08 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JUN 2004 by GarlanWA>; APPROVED <30 SEP 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TURKISH FEES ON TRUCKS IN TRANSIT
TAGS: ETRD, ELTN, TU, IR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006